

7 Economic Development

7.1 Introduction

Eastlake is a combination of post a WWII residential bedroom community interspersed with a significant manufacturing base and commercial retail area. Opinions expressed during the planning process emphasized the revitalization of the Vine Street corridor and more importantly, maintaining and expanding the manufacturing component of the city's economy.

The Economic Development element identifies policies and strategies that will address the well being of Eastlake – its neighborhoods, businesses and residents – in a local and regional economic context. It includes analysis of the local economy assessing its strengths and weaknesses in terms of the scope and character of the local employment base, the relationship between the local labor force and local opportunities for employment, and an assessment of current and future needs of the community.

7.2 Economic Influences

Lake County and Eastlake are influenced by overall economic trends in northeast Ohio. Locally, State Route 2, Interstate 90, Vine Street, First Energy and potentially the lakefront and riverfront are directly related to the economy of the City.

The access afforded by SR 2 and I-90 makes Eastlake an attractive location for the manufacturing sector. The recent improvements to SR 2 will enhance this attribute. Companies have quick access to the major road, water and rail hubs in northeast Ohio.

While many citizens desire more retail outlets, most day-to-day needs are met by businesses located on Vine Street. The density of residential development, traffic volume and commercial zoning patterns along Vine Street quickly created a retail hub for Eastlake. This trend will continue in the foreseeable future. The City should continue to work with the retailers to reduce the vacancy rates and consider new zoning strategies to permit mixed infill development on underutilized parking areas. The ability to attract additional residential rooftops will enhance the attractiveness of commercial retailers in the area.

Over the long-term Eastlake should consider Lake Erie and the Chagrin River as economic development tools during the decision-making process. These amenities have the ability to serve as a “recreational anchor tenant” and bring outside visitors to the City. As visitation grows, additional revenue generating amenities such as restaurants, boat rentals and waterfront accommodations will provide positive returns to the city.

7.3 Existing Conditions (summary)

Five of the top ten employers in Eastlake are in the manufacturing sector (Table 7.1). First Energy is the largest employer followed by the Willoughby-Eastlake School District. Contrary to regional trends, a review of table 7.1 indicates a substantial manufacturing base in Eastlake. Retail and public sector employers are also represented in the top twenty.

Data from City of Eastlake reveals the following highlights of Eastlake's 2008 economic position:

- 2,295 Total business establishments
- 12,214 Total employees
- 18% Employees who are residents
- 30% Percent of employees in manufacturing
- 26% Percent of employees in retail sector
- 6.0% November 2008 Lake Co. unemployment Rate

Manufacturing

The manufacturing industry continues to be an integral part of Eastlake's economic portfolio. Lakeland Blvd., Curtis Blvd., Research Drive and Vokes Drive provide excellent locations for large and small scale manufacturing ventures. Other areas exist for additional space if conditions warrant.

The City should recognize national and regional patterns of manufacturing decline. The percentage of workers employed in manufacturing businesses in Lake County decreased 5.8% between 1995 and 2001, compared to a 12.8% decrease for the state. In addition, the percentage of workers employed in manufacturing businesses in Lake County decreased by an additional 24.2% and the state decreased by 25.0% from 2000-2006.

Projections from the state Department of Development envision a decline in manufacturing employment for Lake County in the future, to 23,900 workers in 2010, 22,800 in 2020, and 21,800 in 2040. More than likely, these trends will carry over into Eastlake.

According to the United States Census tally of county business patterns, businesses in Lake County employed 26,509 manufacturing workers in 2001 and 22,078 in 2006. According to the 2004 County Business Patterns put out by the Census Bureau the bulk was employed in paper manufacturing, plastics and rubber products manufacturing, primary metal manufacturing, fabricated metal products manufacturing, machinery manufacturing,

Table 7 1. 2008 Highest Employers

Conn-Selmer, Inc.
PCC Airfoils, Inc.
Concorde Castings, Inc.
Eaton Corp.
Astro Manufacturing and Design Inc
City of Eastlake
Lake Business Products, Inc.
Modern International Graphics, Inc.
Professional Electrical Products Co.
Midwest Screw Products LLC.
Omnicare ESC, LLC.
Duke Printing
Health One Pharmacies
SKRL Die Casting, Inc.
Integrated Mill Systems, Inc.
Millennium Control Systems, LLC
ENPAC
Enerfab, Inc.
CLS Facilities Management, Inc.
Weber Technologies, Inc.
Suburban Manufacturing, Inc.
TEC, Inc.
Huffman Equipment Rental, Inc.
Parker Hannifin Corp.
Apollo Welding and Fabricating, Inc.
(City of Eastlake)

computer and electronic product manufacturing, and transportation equipment manufacturing (Table 7.2). The majority of these businesses types are located in Eastlake.

In the event of large scale decreases in the local manufacturing base, other land use strategies should be encouraged to locate to the City. These should include office and high tech parks with a focus on healthcare, bioscience, advanced manufacturing and alternative energy.

Table 7.2 Manufacturing employment 1995-2006

Year	Lake County employment			Ohio employment	
	Manuf. workers	% of all workers	% change	Manuf. workers	% change
1995	28,134	24.7%	N/A	1,126,628	N/A
1996	28,812	24.8%	2.4%	1,121,000	-0.5%
1997	29,184	24.5%	1.3%	1,118,370	-0.2%
1998	29,064	24.0%	-0.4%	1,121,121	0.2%
1999	28,457	23.3%	-2.1%	1,113,021	-0.7%
2000	29,113	23.4%	2.3%	1,103,840	-0.8%
2001	26,509	21.6%	-8.9%	982,577	-11.0%
2002	23,314	19.6%	-12.1%	904,838	-8.2%
2003	22,140	18.2%	-5.0%	864,280	-4.5%
2004	22,063	17.85	-0.3%	845,662	-2.2%
2005	22,120	17.5%	0.1%	835,492	-1.2%
2006	22,078	17.4%	-0.2%	820,773	-1.8%
Change 1995-2006	-6,056	N/A	-21.52%	-305,855	-27.1%

(Ohio Department of Development / Office of Strategic Research)

Table 7.3 Lake County Manufacturing employment patterns 2004

Industry	Employees	Annual Payroll	Establishments	Employment size class			
				1-19	20-99	100-499	500 and up
Food mfg	(C)	(D)	12	11	1	0	0
Paper mfg	1,059	\$63,008,000	9	2	2	5	0
Printing and related support activities	662	26,910,000	40	33	6	1	0
Petroleum and coal product mfg	(E)	(D)	4	2	1	1	0
Chemical mfg	743	39,922,000	21	7	13	1	0
Plastics and rubber products mfg	1,640	53,803,000	39	23	11	5	0
Nonmetallic mineral product mfg	384	20,832,000	25	21	3	1	0
Primary metal mfg	1,997	\$85,208,000	19	9	5	4	1
Fabricated metal product mfg	6,039	253,217,000	293	212	72	9	0
Machinery mfg	2,682	111,592,000	104	74	25	4	1
Computer and electronic product mfg	2,291	100,434,000	19	5	10	3	1
Electrical equip, appliance and component mfg	514	15,925,000	19	12	6	1	0
Transportation equip mfg	1,353	58,102,000	28	17	5	6	0
Furniture and related product mfg	137	4,544,000	21	20	1	0	0
Miscellaneous mfg	2,443	105,007,000	49	35	7	6	1
Undisclosed mfg.	(A)	(D)	11	11	0	0	0
Total	22,346	\$957,670,000	713	494	168	47	4

(D) - Withheld to avoid disclosing data for individual companies

Employment-size classes are: (A) 0 to 19, (B) 20 to 99, (C) 100-249, (E) 250-499, (F) 500 to 999.

(US Census Bureau)

Retail

In Lake County, 14,680 were employed in the retail sector in 2000, with total wages of \$303,687,000. The number employed in the retail sector dropped slightly to 14,591 in 2001, with wages of \$306,651,000. As noted above 25% of Eastlake's workforce is in the retail sector.

In 2000, Eastlake had a retail vacancy rate of 5.4%. It is estimated this figure is higher today with the empty storefronts in the Vineyards complex and other small strip centers. This figure compares favorably to the 6.4% and 7.3 % vacancy rate for northeast Ohio and Lake County respectively.

The retail sector is a major focal point of many Lake County communities, including Eastlake. Being the most visible land use, its physical configuration and condition are critical in projecting a city's image. The economic health of a city is often associated with the ability of its business districts to thrive and remain prosperous. The retail stores along Vine Street serve the important function of maintaining the social character of a community by creating a sense of place where residents can satisfy their consumer needs and encounter other neighborhood residents. This so-called "marketplace" function is critically important to community vitality.

The dynamic nature of retailing in Northeast Ohio is evidenced by frequent announcements of store closings, new construction, and concerns about the impact of both. Although retail development projects are generated by the private sector, public officials are often requested to provide assistance in the form of rezoning, transportation and infrastructure enhancements, or financial assistance such as tax abatement.

It should be noted that retailers are not often sold by such incentives. Retail and restaurant site selection specialists often use a formula to determine whether a market is a viable location for a store or restaurant. Criteria determining an ideal location are mostly quantitative, and usually include the following:

- Population living in a certain radius (mileage and driving time).
- Percentage of families versus singles in a certain radius.
- Average family and household income in a certain radius.
- Average age of the population in a certain radius.
- Cumulative income of all people in a certain radius.
- Education level in a certain radius.
- Number of jobs in a certain radius.
- Traffic volume at a location.
- Utility availability at a location.
- Proximity of other mid- and high-end retail development (positive).
- Proximity of low-end commercial development (negative).
- Property size and geometry.
- Potential return on investment.

Each of these criteria carries a different weight, depending on the type of business. A bookstore may place a greater emphasis on the education and income in an area, while chain restaurants often look at the employment base in the area, so they can profit from lunch as

well as dinner business. Sewer service is more important for uses that generate plenty of wastewater, such as sit-down restaurants. Eastlake should carefully examine its demographic and site characteristics while pursuing economic development strategies to ensure long-term viability/stability with future businesses.

All businesses seek a high potential return on investment. A store may make a profit in Eastlake, but if there is the opportunity of a greater return in another area, the chain will locate an outlet there instead, not developing in the City until most of the other more lucrative locations have been developed.

The mantra of commercial developers is “retail follows rooftops.” The density of housing (shoppers) and presence of a Wal-Mart store may attract the attention of national retailers scouting for new store locations. The city should encourage future business in the core Vine Street area to create shopping district as opposed to a shopping “row” which requires countless vehicular trips and dilutes the positive attributes provided by a critical retail mass.

The changing nature of the retail industry is having profound implications on the land use patterns of Lake County. Older communities are experiencing under-utilization and vacancies in storefronts along major retail corridors, resulting in loss of local retail services, decreasing tax revenues and suburban blight. These characteristics can be found along Vine Street. At the same time, newer suburban and outlying areas continue to encounter retail development which has often led to increased traffic congestion, the need for costly infrastructure improvements, and degradation of land, air and water quality.

Eastlake must counter these trends by proactively working with landowners/business owners along Vine Street to accommodate their needs to the fullest extent possible without compromising the long-term vision of the city.

Relatively speaking

A mass of numbers listing square footage may seem meaningless, unless there is a point of reference that can be easily related to.

1,200 ^{sq ft}	typical 1950s-era single-family house in western Lake County
1,500 ^{sq ft}	Chinese carry-out restaurant, chain coffeehouse (Starbucks, Caribou)
2,400 ^{sq ft}	typical new single-family house in Lake County
3,000 ^{sq ft}	fast food restaurant, convenience store
5,000 ^{sq ft}	large new single-family house in Concord Township, sit-down chain restaurant (Applebee's, TGI Friday's)
11,000 ^{sq ft}	very large single-family house in Waite Hill, large chain drugstore (CVS, Walgreens, Rite Aid)
20,000 ^{sq ft}	big box pet supply store (PetSmart, Petco), office supply store (Staples, Office Max)
30,000 ^{sq ft}	big box bookstore (Barnes and Noble, Borders)
45,000 ^{sq ft}	small supermarket, home outfitting store (Bed Bath and Beyond)
57,600 ^{sq ft}	NFL standard football field
60,000 ^{sq ft}	big box sporting goods store (Dick's, Galyan's)
80,000 ^{sq ft}	large supermarket
100,000 ^{sq ft}	big box discount department store (Wal-Mart, Target)
150,000 ^{sq ft}	big box home improvement store (Home Depot, Lowe's)
220,000 ^{sq ft}	hypermarket (Wal-Mart Supercenter, Target Superstore)
700,000 ^{sq ft}	small shopping mall
1,250,000 ^{sq ft}	Great Lakes Mall

Recreation as Economic Development

Communities across the Great Lakes region are beginning to view local water bodies as more than just water. They are recognizing water as a tourist amenity and asset. Many are taking action to preserve and protect river banks, coastal areas and wetlands and encouraging controlled development and public access to these highly desired amenities. The Chagrin River and Lake Erie (in addition to Classic Park) provide a built in competitive advantage for the City.

Without question, water features attract people to the city. Estimates from the Lake Metroparks indicate approximately 200,000 visitors to the Chagrin River Park on an annual basis.

Map 7.1: Local Marinas and Yacht Clubs (2005)



Approximately 13 yacht clubs/marinas exist in the Chagrin River corridor (Map 7.1). During the recreational boating season approximately 800 boaters are using the Chagrin River. Thousands of anglers utilize the First Energy fishing pier on an annual basis. More recently a canoe livery has successfully opened at the Port Authority boat launch introducing the river to a new set of visitors.

From an economic development standpoint, the City must attract more people to these sites and develop additional amenities that generate revenue for the city (fishing access, beaches, hotels, restaurants, mixed use developments). Data from the Lake County Visitors Bureau clearly reveals the economic impact provided by the tourism industry (Table 7.4). Tourism receipts fall in the categories of transportation (such as water, air, ground, and service stations), retail (such as gift shops and general merchandise), eating and drinking places, lodging, and amusement/recreation (such as golf, museums, and parks).

Table 7.4 Lake County Tourism economic impact

Year	Receipts (output)	Employment	Payroll	Tax revenue
1996	\$241,687,000	7,162	\$88,874,000	\$17,729,000
1998	\$261,639,000	7,497	\$96,350,000	\$19,241,000
1999	\$456,880,000	n/a	n/a	n/a
2000	\$477,160,000	n/a	n/a	n/a
2001		n/a	n/a	n/a
2002		n/a	n/a	n/a
2003	\$483,500,000	11,800	\$258,100,000	\$61,600,000
2004	\$494,200,000	12,800	\$287,100,000	\$67,600,000
2005	\$546,272,348	n/a	n/a	n/a
2006	\$568,751,047	n/a	n/a	n/a
2007	\$587,558,785	8,384	\$157,885,073	\$78,407,321

(Lake County Visitor's Bureau)

The 2005 Lake County Coastal Development Plan has identified the following strategies to assist with economic development from a recreational standpoint:

- Future bike paths and pedestrian corridors along the entire river terminating at the lake. The City should continue dialogue with the City of Willoughby and Lake Metroparks to achieve this goal. Chagrin River Park is an example of the drawing power of a water feature.
- The construction of a recreationally safe harbor through a series of staggered off shore barrier islands off the mouth of the river.
- Multi-functioning pier with transient docks and enhanced public space at waters edge.
- Preservation of the river islands as a nature preserve. These privately owned islands should be purchased and preserved as public lands, protecting the native vegetation and wildlife while allowing for limited pedestrian access. Minimally invasive raised walkways and interpretative signage could be installed on the island to enable people to explore the island without disturbing the natural setting.
- Lookout towers to capitalize on unique topography
- Mixed use development west of the Lakeshore Blvd. bridge in areas designated as PDA's.
- Terraced development overlooking the river valley along the Lakeshore Blvd. corridor.

7.4 Employment Trends

The following charts clearly confirm the employment trends evident in the US and NE Ohio; decrease in manufacturing and an increase in computer technologies, professional offices and specialty services. Nationally, seven manufacturing type businesses are listed in the “most rapid decline” category.

According to the Ohio Workforce Development office, northern Ohio manufacturing jobs are projected to decrease 10.9% (-15,300 jobs) from 2004-2014. Similar to national trends, professional and business services are projected to gain the most employment.

Derived by the Ohio Department of Development, the table below looks at industry classifications and is color coded to more quickly identify those sectors most important to the region. The left column ranks all 22 sectors shown by their employment levels in 2005. The top ten sectors in this column are printed in blue. The right column ranks sectors by the net number of new jobs created since 2005. The top ten growth sectors in the second column are printed in red.

Industry Sector	2004 Annual Employment	2014 Projected Employment	Change in Employment 2004-2014	Percent Change 2004-2014
Total Employment	1,076,800	1,134,100	57,300	5.3%
Goods-Producing	185,600	174,600	-11,000	-5.9%
Natural Resources and Mining	5,500	5,000	-500	-9.1%
Construction	39,000	43,900	4,900	12.6%
Manufacturing	141,000	125,700	-15,300	-10.9%
Service-Providing	820,400	888,800	68,400	8.3%
Trade, Transportation and Utilities	183,100	191,500	8,400	4.6%
Wholesale Trade	48,800	54,000	5,200	10.7%
Retail Trade	105,100	106,400	1,300	1.2%
Information	19,200	19,400	200	1.0%
Financial Activities	78,600	81,200	2,600	3.3%
Finance and Insurance	62,400	64,500	2,100	3.4%
Real Estate and Rental and Leasing	16,200	16,700	500	3.1%
Professional and Business Services	124,100	146,500	22,400	18.0%
Professional, Scientific & Technical Services	49,500	57,200	7,700	15.6%
Management of Companies and Enterprises	15,600	17,500	1,900	12.2%
Administrative and Waste Services	59,000	71,800	12,800	21.7%
Education and Health Services	154,800	177,800	23,000	14.9%
Educational Services	23,000	26,500	3,500	15.2%
Health Care & Social Assistance	131,800	151,400	19,600	14.9%
Leisure and Hospitality	86,200	92,600	6,400	7.4%
Arts, Entertainment & Recreation	13,400	15,300	1,900	14.2%
Accommodation and Food Services	72,700	77,300	4,600	6.3%
Other Services	41,800	44,300	2,500	6.0%
Government	132,600	135,600	3,000	2.3%
Federal Government	18,100	17,600	-500	-2.8%
State Government	6,700	6,900	200	3.0%
Local Government	107,800	111,000	3,200	3.0%
Self-Employed, Private Household and Unpaid Family Workers	70,900	70,600	-300	-0.4%

2005 Employment	New Jobs: 2000-2005
Manufacturing	Health Care and Social Assistance
Retail Trade	Accommodation and Food Services
Local Government	Local Government
Health Care and Social Assistance	Education Services
Accommodation and Food Services	Wholesale Trade
Construction	Management of Companies and Enterprises
Administrative and Waste Services	Professional, Scientific and Technical Services
Wholesale Trade	Arts, Entertainment and Recreation
Professional, Scientific and Technical Services	Real Estate and Rental and Leasing
Other Services, except Public Administration	Transportation and Warehousing
Finance and Insurance	Finance and Insurance
Education Services	Retail Trade
Arts, Entertainment and Recreation	State Government
Management of Companies and Enterprises	Mining
Real Estate and Rental and Leasing	Agriculture, Forestry, Fishing and Hunting
Agriculture, Forestry, Fishing and Hunting	Other Services, except Public Administration
Transportation and Warehousing	Construction
Information	Federal Government
Utilities	Information
Federal Government	Administrative and Waste Services
Mining	Utilities
State Government	Manufacturing

Sectors that appear at the top of both lists are printed in purple. Sectors with high employment levels are often a major source of job openings because seven of ten openings are expected to be replacement needs. In terms of employment; manufacturing is the single largest sector, accounting for over 21,000 workers in the area.

Unfortunately, manufacturing also suffered the greatest job losses in the last five years, losing nearly 6,000 positions. Retail trade is another large employment sector with over 14 thousand jobs. Local government was another large employment sector that also had significant job growth from 2000 to 2005. The sector to add the most jobs in this period was health care and social assistance, creating about 1,500 new jobs. This is hardly surprising given the strong nationwide demand for health care, due in part to the aging baby boom population and new emerging medical technologies.

Between 1993 and 2002, the number of new for-profit business startups in Lake County peaked in 1995, declining slowly since then. The number of new businesses as a percentage of all businesses has been declining, from 12.41% in 1993 to 7.00% in 2007.

7.5 Incentives for Business

If offered, industry recruitment and incentive efforts should be concentrated in the skilled manufacturing sector, especially businesses related to aircraft parts, medical equipment, and precision machinery. These businesses, which usually offer high salaries to their workers, may be attracted to a region like Lake County where there is an agglomeration of like manufacturers, and an available pool of skilled workers.

Infrastructure improvements in the industrial corridor, including resurfacing and widening the Lakeland Freeway, upgrading intersections and expressway exits, improving connections on north-south routes with I-90, and grade separation of busy railroad crossings, will make the area more attractive to existing and future employers. Both Research Drive and the “JFK” property site are potential sites for specialized high tech industrial parks. Future zoning strategies should be geared toward these emerging trends.

The City and State of Ohio have the following programs to offer current and future businesses:

Low Interest Loans- The Ohio Department of Development has several low interest loan programs which can provide financing for fixed assets, such as land, building, machinery, and equipment.

Ohio Enterprise Bond Fund - Taxable and tax-exempt bond financing may be available for your project through the Ohio Enterprise Bond Fund which can finance up to 90 percent of the project costs to a maximum of \$10 million. The term is subject to negotiation. The interest rate is fixed for the term of the loan and is determined at the time the bonds are issued.

166 Direct Loan - This loan would be available to help finance a manufacturing facility at 30 percent of the project cost to a maximum of \$1 million. Each of these programs would require the payment of Ohio's prevailing wage rate on the construction of any buildings.

Workforce Recruitment: The Ohio Bureau of Employment Services can provide, at no cost to a business, labor market data, workforce recruitment, and screening of new workers. Of course, final screening and selections would be done by the company.

Utility Incentive Rates- Many of Ohio's gas and electric companies have developed incentive rates for encouraging new investment in our state.

Tax Incentives- Ohio has two tax incentive programs, the **Community Reinvestment Area** (CRA) and the **Enterprise Zone** (EZ), that can provide a business with a substantial exemption on its real and/or personal property taxes. The City of Eastlake has designated Vine Street as a CRA area. Under the EZ Program, a company could locate its facility in the City of Eastlake and receive a tax exemption on new investments on a building, new machinery and equipment, and new inventory.

Ohio's Job Creation Tax Credit- The Job Development Initiative allows companies creating new jobs in Ohio to apply for a refund on their corporate franchise tax or state income tax credit. The business must apply for this credit before committing to the project.

Investment Tax Credit- The Investment Tax Credit Program creates a non-refundable corporate or state income tax credit for a company that purchases new machinery and

equipment or re-tools current machinery and equipment, that is located in Ohio and used for manufacturing.

Infrastructure Grants- The Ohio Department of Development has funds available for infrastructure improvements serving a project site. The funds are usually granted to a community. Eligible activities can include water or sewer line extensions, road upgrades, and rail spurs.

Ohio's Export Tax Credit- The credit provides a non-refundable franchise tax credit for companies that increase export sales.

Ohio's Research and Development Tax Credit- A sales tax exemption for equipment purchased for research and development.

Tax Increment Financing (TIF) is another economic development tool available to the City (see inset narrative). Currently, there are six active TIFs in Lake County.

Potential business can participate in programs offered through the Lake County Port Authority. These include the Small Business Development Center, Microloan Program, the 504 Loan Program or the Lake County Enterprise Zone.

Use of incentives and other government assistance, such as property acquisition through eminent domain, should not be directed at specific retail businesses where it would compete with

established merchants, giving it an unfair advantage in the marketplace. Incentives should not be offered to national retailers that would probably locate in the City if such a benefit were not otherwise offered. Incentives should also not be offered for retail projects that may hurt shopping districts in surrounding communities.

Retailers establish a business at a location because a market exists for a product or service they offer. Incentives are not required to lure a new retail business, and few government

Tax Increment Financing (TIF)

The Ohio Department of Development TIF's are a development mechanism available to local governments in Ohio to finance public infrastructure improvements and, in certain circumstances, residential rehabilitation. A TIF works by locking in the taxable worth of real property at the value it holds at the time the authorizing legislation was approved. Payments derived from the increased assessed value of any improvement to real property beyond that amount are directed towards a separate fund to finance the construction of public infrastructure defined within the TIF legislation. Local governments may authorize TIFs to fund a number of infrastructure needs including public roads and highways, water and sewer lines, remediation, land acquisition, demolition, the provision of gas, electric, and communications service facilities, and the enhancement of public waterways (note – public infrastructure does not include police or fire equipment).

The value of real property improvements are exempted from taxes through local TIF authorizing legislation enacted by the municipality, township, or county. A taxpayer whose operations are located within a TIF continues to make payments to the jurisdiction in an amount equal to the real property tax liability that otherwise would have been due had the property not been exempted. These payments in lieu of taxes, or Service Payments, are collected by the county treasurer in the same manner as real property taxes, but are deposited into separate public improvement tax increment equivalent funds.

Source: Ohio Department of Development

agencies in the United States offer direct incentives to retailers. Economic development funds should be used to make an area more attractive to retail businesses, through infrastructure or streetscape improvements, nonconforming sign removal, façade restoration in older pedestrian-oriented business districts, or retrofitting a vacant or dying retail center into a more pedestrian-oriented urban village or upscale lifestyle center.

In-house, cost effective incentives include:

- Streamlined permitting and zoning process
- Inventory of construction or move-in ready sites/facilities. This should include square footage, electrical service, ceiling heights, delivery bays, office space, access to rail/highway, and so on.
- Reduction in lot size for manufacturing zones to approximately 1.5 acres.
- Consider the elimination of ballot box zoning referendums where piecemeal land use (job growth) decisions may be made in reaction to isolated circumstances, incorrect dissemination of information or simple a misunderstanding on the behalf of the electorate.
- Adopt business friendly business policies for new and existing companies (welcome wagon).

7.6 Smart Growth for Economic Development

Recognizing the importance of economic development issues and their role in smart growth, in 1997 the Local Government Commission developed a set of 15 principles specifically focused on economic development. The Ahwahnee Principles for Economic Development promote the following and should be utilized to shape the decision making process in Eastlake.

1. Integrated approach. Government, business, education, and the community should work together to create a vibrant local economy, through a long-term investment strategy that encourages local enterprise, serves the needs of local residents, workers, and businesses, promotes stable employment and revenues by building on local competitive advantages, protects the natural environment, increases social equity, and is capable of succeeding in the global marketplace. For Eastlake, this means an emphasis on small-medium, locally owned businesses that offer middle-class and higher wages, which produce a product or offer a service that meets a need not just locally, but internationally.

2. Vision and inclusion. Communities and regions need a vision and strategy for economic development according to the principles. Visioning, planning and implementation efforts should continually involve all sectors, including the voluntary civic sector and those traditionally left out of the public planning process. The Comprehensive Plan should be a start for a larger economic development planning effort in the city, which includes businesses, community officials, and residents.

3. Poverty reduction. Economic development efforts should be targeted to reducing poverty, by promoting jobs that match the skills of existing residents, improving the skills of low-income individuals, addressing the needs of families moving off welfare, and insuring the availability in all communities of quality affordable child care, transportation, and housing.

4. Local focus. Because each community's most valuable assets are the ones they already have, and existing businesses are already contributing to their home communities, economic development efforts should give first priority to supporting existing enterprises as the best source of business expansion and local job growth. Luring businesses away from neighboring communities is a zero-sum game that creates no new wealth in the regional economy. Community economic development should focus instead on promoting local entrepreneurship to build locally-based industries and businesses that can succeed among national and international competitors.

5. Industry clusters. Communities and regions should identify specific gaps and niches their economies can fill, and promote a diversified range of specialized industry clusters drawing on local advantages to serve local and international markets. The manufacturing sector of Lake County includes a growing cluster of businesses related to aircraft parts, medical equipment, and precision machinery. This niche could form the foundation for enhancing a manufacturing-based local economy, and compensate for the loss of heavier industrial operations. New white-collar jobs based on engineering and research in specialized industry sectors can complement manufacturing-based jobs, and provide a more diversified, recession-resistant local economy. The JFK site may be a key site for a pilot industry cluster.

6. Wired communities. Communities should use and invest in technology that supports the ability of local enterprises to succeed, improves civic life, and provides open access to information and resources. High-speed broadband Internet service, and universal wi-fi connectivity, will make the city more attractive to home-based businesses, especially in future town center style developments.

7. Long-term investment. Publicly supported economic development programs, investments, and subsidies should be evaluated on their long-term benefits and impacts on the whole community, not on short-term job or revenue increases. Public investments and incentives should be equitable and targeted, support environmental and social goals, and prioritize infrastructure and supportive services that promote the vitality of all local enterprises, instead of individual firms.

8. Human investment. Because human resources are so valuable in the information-nation age, communities should provide lifelong skills and learning opportunities by investing in excellent schools, post-secondary institutions, and opportunities for continuous education and training available to all. Vocational education and skills training should be continued on a regional basis, creating a pool of talent that would be an incentive for employers to locate in the area. The addition of Bryant and Stratton will aid with this process.

9. Environmental responsibility. Communities should support and pursue economic development that maintains or improves, not harms, the environmental and public health. Development should respect and maintain the environmental well-being and atmosphere of the City. Efforts should be made to minimize development pressures in flood prone areas of the Chagrin River corridor. To the highest extent possible, the City should direct future development to area where similar uses exist to create a critical mass and eventually a competitive advantage to the business (see #11).

10. Corporate responsibility. Enterprises should work as civic partners and stewards, contributing to the communities and regions where they operate, protecting the natural environment, contributing to civic affairs, and providing workers with good pay, benefits, opportunities for upward mobility, and a healthful work environment.

11. Compact development. To minimize economic, social, and environmental costs and efficiently use resources and infrastructure, new development should take place in existing urban/suburban, areas before using more open space. In Eastlake, the City should proactively work with commercial landowners and examine infill development of large unused parking areas.

12. Livable communities. To protect the natural environment and increase quality of life, neighborhoods, communities and regions should have compact, multidimensional land use patterns that ensure a mix of uses, minimize the impact of cars, and promote walking, bicycling, and transit access to employment, education, recreation, entertainment, shopping, and services. Over the long-term, the Vine Street corridor represents an opportunity to introduce new residential development near existing retail business. The city should reconsider the plan put forth in the Vine Street 2020 document.

13. Center focus. Communities should have an appropriately scaled and economically healthy center focus. At the community level, a wide range of commercial, residential, cultural, civic, and recreational uses should be located in the town center or downtown. Concentrating development in a traditional town center, if developed, meets this principle. The Vine Street/91 intersection is in an appropriate place for this development style.

14. Distinctive communities. Having a distinctive identity will help communities create a quality of life that is attractive for business retention and future residents and private investment. The City must work to reinforce its sense of uniqueness, attractiveness, history, and cultural and social diversity, and a strong local sense of place, keeping it distinct from other exurban communities. Eastlake should capitalize on the competitive advantage provided by Lake Erie and the Chagrin River.

15. Regional collaboration. Since industries, transportation, land uses, natural resources, and other key elements of a healthy economy are regional in scope, communities and the private sector should cooperate to create regional structures that promote a coherent metropolitan whole that respects local character and identity.